

Message Text

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PAGE 01 HELSIN 01707 291359Z

51

ACTION XMB-07

INFO OCT-01 EUR-25 ISO-00 EB-11 COME-00 TRSE-00 CIAE-00

INR-11 NSAE-00 RSC-01 DRC-01 /057 W

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R 291310Z AUG 74

FM AMEMBASSY HELSINKI

TO SECSTATE WASHDC 7805

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E.O. 11652: N/A

TAGS: BPRO, EFIN, FI

SUBJECT: EXIMBANK GUARANTEE FOR SALE OF A FOUR-UNIT
V 25 NEWSPAPER PRESS

REF: STATE 184689

1. SUMMARY: POTENTIAL PURCHASER OF U.S. \$225,000
NEWSPAPER PRESS IS NEW COMPANY WITH LITTLE OR NO TRADING
OR FINANCIAL RECORD. GUARANTOR IN FINLAND IS SOUND,
ESTABLISHED FIRM DEPENDING TO CONSIDERABLE EXTENT ON
BORROWED CAPITAL. EMBASSY PERCEIVES NO POLITICAL
IMPEDIMENT TO EXIMBANK GUARANTEE OF FINANCING.

2. EMBASSY HAD NO INFORMATION REGARDING PROPOSED SALE
PRIOR RECEIPT REFTEL. WE HAVE NOW LEARNED SOMETHING
ABOUT THE TWO FINNISH PARTIES TO TRANSACTION.

3. GUARANTOR OF FINANCING, ARILA OY, OF HELSINKI IS
LONG-ESTABLISHED (FOUNDED 1948) AND SUBSTANTIAL FIRM
IN ITS FIELDS. IN OUR WTDR OF APRIL 29, 1974,
HELSINKI 0846, WE REPORTED THAT LOCAL FINANCIAL
SOURCES CONSIDER FIRM SOUND, WITH A GOOD BUSINESS
REPUTATION. ITS SALES VOLUME LAST YEAR WAS ABOUT FMK.
11 MILLION FOR OWN ACCOUNT AND FMK. 19 MILLION ON AN
AGENCY BASIS (US \$1 EQUALS FMK. 3.798 AS OF AUG. 29, 1974).
WE HAVE RECHECKED WITH LOCAL SOURCES OF FINANCIAL
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INFORMATION WHO SAY THERE IS NO REASON FOR NOT GRANTING

MODERATE TRADE CREDITS. THEY REPORT THAT ARILA OY USES BORROWED CAPITAL TO CONSIDERABLE EXTENT (A COMMON PRACTICE IN FINLAND, WHERE RAISING CAPITAL BY SALE OF SHARES IS DIFFICULT OR SOMETIMES ALMOST IMPOSSIBLE) BUT THAT FIRM HAS ALWAYS "HONORED ITS OBLIGATIONS IRREPROACHABLY, WITH NO COMPLAINTS RECORDED" AGAINST IT.

4. FINNISH PURCHASER OF NEWSPAPER PRESS, EXPRINT OY, VILPPULA, WAS ESTABLISHED ONLY IN AUGUST, 1973. INFORMATION ABOUT EXPRINT'S ACTIVITIES AND PLANS IS LIMITED. ACCORDING TO NEWS STORIES AT TIME OF ITS FORMATION, FIRM PLANS TO SPECIALIZE IN PRINTING FOUR-COLOR COMIC STRIP MAGAZINES MAINLY FOR EXPORT TO VARIOUS EUROPEAN COUNTRIES. THE PRINCIPAL SHAREHOLDER AND MANAGING DIRECTOR, MR. JARKKO ARTKOSKI, IS RESPECTED BUSINESSMAN, SON OF GUNNAR ARTKOSKI, WHO FORMERLY OWNED AND MANAGED ANOTHER PRINTING WORKS AND PUBLISHING HOUSE, IN TAMPERE. JARKKO ARTKOSKI WAS EXPORT MANAGER AND LATER COMMERCIAL MANAGER OF HIS FATHER'S FIRM. THE FATHER SOLD THIS FIRM IN OCTOBER 1973 AND POSSIBLY PART OF THE CAPITAL FOR EXPRINT IS BEING SUPPLIED BY HIM. IN ANY CASE, LOCAL SOURCES OF TRADE INFORMATION SAY IT IS TOO EARLY TO COMMENT ON EXPRINT OY. WE ARE PREPARING A WTDR.

5. WE PERCEIVE NO POLITICAL REASON THAT EXIMBANK SHOULD NOT CONSIDER GUARANTEE REQUEST.
KREHBIEL

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PROCUREMENT, PRINTING EQUIPMENT, BANK LOANS, NEWSPAPERS
Control Number: n/a
Copy: SINGLE
Draft Date: 29 AUG 1974
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Disposition Approved on Date:
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Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Executive Order: N/A
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Film Number: D740239-0852
From: HELSINKI
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ISecure: 1
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